

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of October 13, 2004
Clarion Hotel and Conference Center, 3600 Dunckel Road, Lansing
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at approximately 9:07 AM.

The following Board members were present:

Steven Arwood
David Dempsey
Bob Garner
Jim Thompson
Sam Washington

Also in attendance were various staff members of the Department of Natural Resources (DNR) and other interested parties.

I. ADOPTION OF MINUTES FOR MEETING OF AUGUST 18, 2004.

Chairperson Thompson called for the adoption of the August 18, 2004 Board meeting minutes.

**MOVED BY MR. GARNER, SUPPORTED BY MR. WASHINGTON, TO APPROVE
THE MINUTES OF THE AUGUST 18, 2004 MNRTF BOARD MEETING. PASSED.**

II. ADOPTION OF AGENDA FOR MEETING OF OCTOBER 13, 2004.

Chairperson Thompson called for the adoption of the agenda for the October 13, 2004 Board meeting.

**MOVED BY MR. GARNER, SUPPORTED BY MR. ARWOOD, TO APPROVE
THE AGENDA FOR THE OCTOBER 13, 2004 MNRTF BOARD MEETING. PASSED.**

III. PUBLIC APPEARANCES.

Representative Dale Sheltroun and Ms. Lila Fegan, Township Supervisor, Richland Township – 04-040, Hardwood Lake Campground Improvements.

Representative Dale Sheltroun and Ms. Lila Fegan, Township Supervisor of Richland Township, made a presentation in support of application 04-040, Hardwood Lake Campground Improvements. The township is seeking funding for improvements to the campground.

Representative Sheltroun stated that Hardwood Lake is approximately 170 acres in size with excellent fishing. The north, east and west sides have been developed, with the south remaining undeveloped except for Richland Township, which has a private piece of property. The DNR has an access site on this side. The campground is in need of a major upgrade.

Representative Sheltroun further stated that there is a reverter clause in the property that it would revert back to the State of Michigan.

Ms. Lila Fegan continued describing the proposed project. In the 1980s the DNR had planned on opening a campground in the Richland Township area, but was never developed. The DNR approached the township to see if there was any interest in taking over the campground. Citizens from the adjacent township, Mills Township, approached Richland Township officials asking to open up the campground as it would increase tourism. Richland Township did not have umbrella insurance at the time and subsequently asked Ogemaw County if they would take over the campground. In 1990, Ogemaw County signed the campground property back to Richland Township, and it was then when the township submitted its first grant to the MNRTF. A \$20,000 grant was awarded at that time, where a pavilion, playground equipment and picnic tables were added.

Ms. Fegan further stated that the Hardwood Lake Campground sites are very large and the township has provided a lot of upkeep. Some electricity has been provided, but it is very limited. There is a full-time caretaker, who gets a one-third of the primitive rate that comes in. What the township is applying for in this application is electrical upgrades for 22 mobile unit hookups and a handicap area for accessibility to the lake.

Mr. Arwood asked if this was a former State Forest Campground. Ms. Fegan responded that it could have been, but she is not sure. Mr. Washington asked if the township was maintained on a self-sustaining basis. Ms. Fegan responded yes. Just this summer Consumers Energy has brought the power in the campground to provide for sites and shower building. The State Health Department has tentatively agreed to allow the township to put in a shower building.

Mr. Arwood asked how close the campground was located to State of Michigan property. Representative Sheltroun responded that Mills Township has a lot of State property.

Ms. Fegan advised the Board that this is the third year in a row that the township has applied for funding for this project. Mr. Washington asked what the total dollar amount is. Ms. Fegan responded \$44,000, with 26 percent match.

Mr. Michael Weger, Landowner – Bald Mountain Land Exchange.

Mr. Michael Weger, landowner in the Bald Mountain area, reserved his comments for any questions that may arise in later discussions of the land exchange issue.

Ms. Elizabeth Lieberman, Executive Director, Walloon Lake Association – 04-088 – Walloon Lake Access, submitted by Bear Creek Township.

Ms. Elizabeth Lieberman, Executive Director of the Walloon Lake Association, provided the Board with additional information regarding the Walloon Lake project (04-088) and their continued opposition for funding the project. She read a prepared letter addressed to the MNRTF Board into the record.

Highlights of the letter included:

- Adequate access can be made available by improving existing launch sites at a cost considerably less than the \$1.9 million being requested by Bear Creek Township.

- The Association contacted William Boik of Waterways Commission (Parks and Recreation Bureau) for assistance in developing and locations of existing ADA compatible sites to visit. As of this date, no material has been provided.
- After surveying the seven existing launch sites, most are lacking important attributes that would define them as adequate. At least two are improvable – parking for the launch site in the Village of Walloon and launch site at end of Townsend Road.
- Launch site in the Village is on Windsor Street and is placed in an area that is zoned commercial and has several amenities nearby. The launch site is controlled by Melrose Township.
- The launch site in the Village lacks appropriate parking. Melrose Township applied for funds to improve launch parking, but grant was denied. It is confusing to be told Walloon's access sites are not adequate, but Melrose Township was denied a grant for launch site parking.
- Site at the end of Townsend Road is in Resort Township. It currently needs improvement in road condition and appropriate parking availability (like all road end launch sites).
- Five townships border Walloon Lake and Walloon Lake Association has scheduled a meeting on October 25, 2004 with representatives from each township to focus on improving the quality of existing access sites around Walloon Lake. Results of meeting will be forwarded to the Board to show there is a better method of improving public access than funding a costly project in the most sensitive area of Walloon Lake.
- The Association has been blamed for poor condition of existing access sites on the lake, but these sites are controlled by local townships and counties. The Association has no authority to control, improve or better identify public road ends and parks, but welcomes the opportunity to work with controlling entities.
- The person proposing to sell the land to Bear Creek Township will benefit greatly from the land sale, will be provided forever with lakefront access and owns an additional 40 plus acres across from the park. Not knowing future plans for this acreage is unsettling as its development has the potential to further significantly impact the lake from park use and boat launching.
- Public benefit of the proposed Bear Creek Township Park does not warrant expenditure of \$1.9 million to purchase land that does not even add a single launch site to Walloon Lake.

Photographs of various launch sites and parks in Melrose, Bay, Resort, and Bear Creek Townships were also provided to the Board, as well as an inventory of lake access sites on Walloon Lake.

Mr. Arwood stated that he has studied the materials that the Board has been provided from the previous meeting and he does not see a lot of access for the public's use. Ms. Lieberman responded that most of the current existing access sites are not adequate. Parking will probably be an issue at most of the sites. The condition of the sites is poor. That is why the Association

has sent out invitations to call a five-townships meeting to determine what can be done. The Association does not have control of the sites—it is under the jurisdiction of the townships and counties.

Discussion ensued on various aspects of launch sites and how they could be improved.

Mr. Washington expressed the fact that he will never believe that a road end, unless there is additional land added to it, can be developed into an acceptable launch site. There is a willing township that wants to provide what we would consider to be access to the lake. What the Board has heard from the Association is “hopeful wishes” that sometime in the future the other launches would be improved. The DNR owns a substantially large piece of land on the lake (128 acres), but there has been no move by the township it sits in to come forward to provide public access sites.

Mr. Washington further stated that he knows residents who live on Walloon Lake and he has been contacted by a number of them. The overriding impression he got from these conversations is “not on my lake.” The mindset that it is the “lake of the riparians” is totally wrong. It is the lake of all the people in the State of Michigan. People want access to Walloon Lake and he will do everything in his power to provide this. This can be done either on the DNR property, some of the current ones expanded for meaningful access or someone else wanting to offer properties to do this. The bottom line is Walloon Lake is not accessible to the public and if a proposal is put before him to make it accessible, he will look at this very favorably.

Mr. Arwood asked if it was within the division of leadership of the five townships to come together and address the problem. Ms. Lieberman responded that the meeting that is scheduled for October 25th is the first meeting on the topic. She cannot predict what their approach to this issue is going to be. The Association would like to encourage them to look at long-term improvement to its best potential and determine what it is. She invited the MNRTF Board members to the meeting, if they wished to attend.

Mr. Washington stated that he has received minutes from different townships surrounding the lake. Some of the language he has read in the minutes is very combative against the public being on the lake. He feels this is disturbing. Residents feel there could be predators lurking around the sites to abuse children. Ms. Lieberman asked if these were comments made by the township officials or the public. Mr. Washington responded these were made by the public, and is reflective of what the attitude is. In addition, from the voluminous amount of correspondence the Board has received, it appears that the general consensus from the residents is “how do we stop this thing from happening.” Mr. Washington does not care where the access is on the lake, but he will do everything he can to make sure there is access.

Ms. Lieberman asked what makes the property so attractive to the Board. It appears that the launch site issue is the most important to the Board. Mr. Arwood responded that he will not speak to the specifics of the park proposal, but whatever it is has to be better than a road ending. He agrees with Mr. Washington that a road end is not reasonable and adequate public access. As long as it is a road end it does not have the permanence of public access in perpetuity.

Discussion ensued regarding road ends and the problems they entail.

Mr. Garner visited the area this past Monday to look at the sites. He is not particularly in favor of the Gruler site either, but feels like Mr. Washington that public access is needed somewhere on the lake. The sites are not adequate enough to handle anything other than a small boat, with “no parking” or “15 minute parking” signs. If alternatives are not identified, he feels the Board would have to go with the Gruler property to provide access.

Chairperson Thompson encouraged Ms. Lieberman to let the Board know the outcome of the meeting that will be held on October 25th.

Mr. Daniel Duncan, Chief Planner, Huron-Clinton Metropolitan Authority (HCMA).

Mr. Daniel Duncan, Chief Planner for the Huron-Clinton Metropolitan Authority, made a presentation in support of the three grant applications submitted for funding – 04-026, Wolcott Mill Metropark Acquisition; 04-027, Indian Springs Metropark Acquisition; and 04-028, Stony Creek Metropark Nature Center. He is concerned about the evaluation criteria that were provided to HCMA by Grants, Contracts and Customer Systems (GCACS), and how the projects have initially scored. He feels the scorings, while low, do not reflect the timing involved in completing the projects. The projects would provide public access to waterways—Lake Erie, Lake St. Clair and the Huron River. These would require permits from the Department of Environmental Quality and could take three months to one year to accomplish.

Mr. Duncan feels that HCMA has been treated unfairly in terms of the low scoring staff evaluations of their proposed projects. At lot of the conditions in which HCMA works are beyond the capabilities of completing projects within a certain timeframe, and staff has reflected this point by the low scoring of HCMA’s current applications.

HCMA has requested extensions for completion of other grant projects received, which were granted by GCACS staff. Staff gave no indication that these extensions would jeopardize the scoring aspect for future grants.

Mr. Arwood asked where HCMA thought they had scored low. Mr. Duncan responded on the “Applicant History” section under “Stewardship, Post Completion Record, Compliance with Project Agreement Procedures, Project Planning and Recent Performance and Improvements and Applicant Explanations.” HCMA met with GCACS staff and understand the evaluations, but feel that in the future areas that are out of the applicant’s control should not be jeopardized. Another area that scored low was “Significant Natural Resources”. Properties in southeast Michigan and urban areas are being developed rapidly. Mr. Duncan feels acquisitions in these areas should be given strong consideration for protection under the evaluation criteria.

Mr. Dempsey asked about project in Hudson Mills Park (TF03-023, Hudson Mills Metropark Hike/Bike Trail) and wondered if Mr. Duncan was aware of the construction of the bridge issue. Mr. Duncan responded HCMA was aware of the concerns for some time. The DNR Director made a presentation to the Natural Resources Commission regarding this issue and authorized the bridge at Hudson Mills. HCMA is proceeding with the design of this and have had an informal office meeting the end of September with other groups involved. Two of the commissioners in attendance felt there was an impasse regarding the issue and no negotiation opportunity. The following day HCMA’s Board adopted a motion directing staff to proceed with the development of the bridge. Design plans are underway and have contacted the Huron River Watershed Council and others to review. At this point, the Council has declined the offer to meet as a result of HCMA Board’s action to move forward. Plans will be submitted to the Department of Environmental Quality for necessary permits.

Mr. Larry Nooden, Professor Emertus-Biology, University of Michigan and Clinton-Huron Ecological Coalition – Hudson Mills Park Bridge, TF03-023, Hudson Mills Metropark Hike/Bike Trail, HCMA.

Mr. Larry Nooden, Professor Emertus-Biology, University of Michigan and representing Clinton-Huron Ecological Coalition, made some comments regarding TF03-023, Hudson Mills Metropark Hike/Bike Trail, HCMA. His group is involved in protection of natural areas and low impact recreation that includes hiking, nature study, fishing and in some cases, hunting. The Coalition has concerns about environmental stewardship with this project.

Mr. Nooden stated that HCMA has made some good environmental moves by bringing in a Natural Features Inventory group to assess HCMA's inholdings.

Mr. Nooden has concerns about the bridge at Hudson Mills, and others present at the meeting today will provide some comments. He also expressed concerns about the grant that was awarded to HCMA for this project, and wondered if the MNRTF Board understood the whole implications of the project. In general, however, he supports HCMA with what they are trying to do with natural areas, but he hopes there will be better stewardship of natural areas. He also supports protection of the Natural Rivers Protection Act. He feels the construction of this bridge will weaken the act.

Mr. Arwood wondered, as far as preservation, what the difference would be with putting a bridge over a river versus putting wooden boardwalks through wetland areas. Mr. Nooden responded there may be problems with that, but sometimes there has to be a balance for the greater public good. The trail will go through some of the most sensitive areas in Washtenaw County and his group has worked with the County to fine-tune the trail for access and protection of the areas.

Mr. David Brooks, Huron Valley Group of Sierra Club – Hudson Mills Park Bridge, TF03-023, Hudson Mills Metropark Hike/Bike Trail, HCMA.

Mr. David Brooks, representing the Huron Valley Group of the Sierra Club, made some comments regarding TF03-023, Hudson Mills Metropark Hike/Bike Trail, HCMA. He provided the Board with written comments and a map for their information. The Huron Valley Group has a 3200-membership and has demonstrated a continuing interest in the management of HCMA.

The Group feels the expansion of the hike/bike trail will significantly expand opportunities for the Huron River corridor; however, it will weaken the protection to some places. In addition, as this section of the Huron River is designated a Natural River, the Group recommends that HCMA remove the bridge crossing from its trail expansion plans. The bridge is not essential to the function of the trail, but would be a major loss of protection to a very special stretch of the Huron River. The Group supports the trail expansion, but not the bridge and requests the MNRTF Board modify the grant to eliminate the bridge.

Ms. Laura Rubin, Executive Director, Huron River Watershed Council – Hudson Mills Park Bridge, TF03-023, Hudson Mills Metropark Hike/Bike Trail, HCMA.

Ms. Laura Rubin, Executive Director of the Huron River Watershed Council, made some comments regarding TF03-023, Hudson Mills Metropark Hike/Bike Trail, HCMA. She responded to Mr. Arwood's previous question to Mr. Nooden regarding environmental impacts of the area. There will be environmental impacts with the hike/bike trail. What the Huron River

Watershed Council is trying to look at is where there are unnecessary environmental impacts and where there are laws in place to protect certain natural features and areas.

Ms. Rubin further stated that she was unsure if the Board was aware that this area was designated a Natural River Zone when they approved the grant last year and there are certain precautions that go with this designation. There have been no new bridges along this stretch unless they are existing. If there is a road bridge or railroad trestle, a new bridge can be put in. The Huron River is the only river in southeast Michigan to be designated a Natural River. As it is in the Natural River Zone, HCMA must obtain a permit from the DNR's Natural Rivers Program.

The Huron River Watershed Council opposes the permit for the following reasons:

- The bridge crossing violates the intent of the Natural Rivers Act and the Huron River Plan developed under the act.
- The bridge is not necessary – a connector bridge over North Territorial Road from the proposed path to the hike/bike loop already exists.
- Do not have the full picture on implications of the decision for future bridge crossings downstream or technical details to understand the value of a bridge in relation to its ecological impact.
- The permit application process was flawed and the public input process was subverted.

HCMA was advised that a bridge crossing was a violation of the Natural Rivers Act. HCMA appealed this to higher DNR and Governor's office officials for approval. The Huron River Watershed Council worked very hard in the early 1970s to designate the Huron River as a Natural River. In general, the Council is supportive of the hike/bike path, but allowing an exception to the Natural Rivers Plan for the Huron at this location will set a precedent for additional bridges further downriver from the Village of Dexter.

There needs to be a balance of interest in the hike/bike path with ecologically sensitive areas along the river. In addition, by putting in a bridge it may do harm to the ecology, as construction activity and the permanent bridge may have negative effects on the river bed and possibly floodplain, as well as disrupt riparian vegetation and soils.

Ms. Rubin asked the Board to be open with HCMA regarding changing the scope of the project by advocating that the bridge not be allowed and that the funds be used to extend the pathway down to the Village of Dexter.

Mr. Dempsey asked if this change would be a conversion of the project scope that must be requested by HCMA. Mr. James Wood, Chief, GCACS, DNR, responded that this is not a conversion, but rather a project change request. Mr. Dempsey asked if the Board could make this project change request of HCMA. Mr. Wood responded that this has not ever been done by the Board. The Board should also note that the permit for the bridge has not yet been issued. If the permit is not approved, they will not be able to construct the bridge.

Mr. Dempsey asked why HCMA wants to construct this bridge. Ms. Rubin responded that the HCMA parks are driven by internal loops with their parks. They have some concern about having a "dead end" trail, as HCMA at this time does not have the funds to extend the trail down to the Village of Dexter.

Mr. Washington asked if there is an “element of charm of a bridge” to the general public. Ms. Rubin did not know. The bridge would be located in a natural area on the Huron River.

Mr. Arwood asked Ms. Rubin to expand on the violations of the Natural Rivers Act. Ms. Rubin responded that the Council was following the DNR staff’s interpretation of the act. It does not say anywhere specifically in the act that pedestrian bridges are not allowed, but it is the interpretation the DNR has used since the act has been in existence. By allowing this bridge, this would change the precedent.

Mr. Garner stated that he supported the Natural Rivers Act. The act does allow certain things to be done and it can take circumstances into effect through its appeals process. To say by putting in this bridge would be a violation of the Natural Rivers Act is not an accurate portrayal of the act. It may be a violation of what the Council thought was the “spirit” of the Natural Rivers Act, but it is not a violation of the act. Mr. Garner does not have a position on the bridge one way or the other.

Ms. Rubin stated that HCMA was advised that they will lose the funds in the grant if they change the scope of the grant. Mr. Garner responded that project change orders are done all the time.

Mr. Bill Manson, Executive Director, Michigan Snowmobile Association – Cheboygan to Gaylord Trail.

Mr. Bill Manson, Executive Director of the Michigan Snowmobile Association, made some comments regarding the Cheboygan to Gaylord Trail. When the project was proposed in 1995, there was a lot of contention going on regarding the 11-mile stretch along Mullett Lake. There was talk of lawsuits if motorized recreational vehicles were to be allowed on this portion of the trail. Mr. Hector Chiunti, who was the Trails Coordinator for the DNR at the time, asked if the snowmobile groups would give up the right to be on this 11-mile stretch of the trail if an alternate trail was provided to get to Indian River and Cheboygan. The snowmobile groups said this was fine, as long as there was a route provided.

When the MNRTF Board granted the money, there were stipulations in place that motorized recreational vehicles would not be allowed on the 11-mile Mullett Lake stretch of the trail. From 1997 through 2000, the snowmobile clubs in the area submitted seven different proposals to the DNR. All these proposals dealt with State, private and Pigeon River Country State Forest land. All these were rejected by the DNR (safety issues and on Pigeon River Country property).

In 2001 the snowmobile clubs in that area did not know what to do. It was brought up to the Snowmobile Advisory Committee where it was requested that all seven plans be reviewed again by the DNR to work out something. All seven proposals were again rejected.

In 2002, the DNR put together a workgroup. Mr. Manson is part of this workgroup. An eighth proposal was put together by the workgroup. This proposal is being stalled for two reasons: 1) Pigeon River Country property and 2) I-75 land. This is the ninth season without a viable route to get to Cheboygan.

The Michigan Snowmobile Association officers mandated Mr. Manson to request the MNRTF Board to remove the restriction on the 11-mile stretch of Mullett Lake until an adequate trail can be found.

Mr. Washington stated the MNRTF Board cannot renege on agreements that have been made. Mr. Manson understands this, and asks that the Board request the DNR to buy a piece of land all the way up to Indian River. There have been temporary routes to the west, but this has been private land. The Michigan Snowmobile Association is working on some permanent trail issues to buy some property or permanent easements, but you cannot force a landowner to sell or lease their property.

Mr. Arwood mentioned that Senator Allen was considering legislation to allow the trail to run up I-75. Mr. Manson responded that was part of the workgroup's charge. This would allow the trail to go to the far right of the right-of-way for a snowmobile trail. This would provide some access. Unfortunately, the bill was pulled from the floor to be voted on, as at the last minute the Michigan Department of Transportation (MDOT) said they wanted to add some language that would prohibit snowmobile use on the unplowed portion of all State roads unless they gave permission. This would limit access to all hotels, gas stations, restaurants, etc. along any State roads, unless it was a designated trail.

Mr. Arwood asked if the workgroup is continuing to work on this issue. Mr. Manson responded there has been work on it up until this spring. Because of the Pigeon River Country and I-75 properties, things have just been stopping and stalling. Mr. Arwood asked if the Board's position in the spring affected the workgroup's process. Mr. Manson stated he does not believe so. It is just the fact that there are some contentious issues going to the east. The problem seems to be with going around the Pigeon River Country property somehow, and that is difficult. Without going through this property, there would have to be about nine landowners willing to sell property.

Mr. Washington commented that the Board is not pleased with the residents along the Mullett Lake stretch as to how they have trespassed on this property. The Board has been encouraging the DNR to do something about this. Mr. Manson commented that until this issue is resolved, the locals in the Mullett Lake area are going to go out on the lake as they are familiar with how to get around without breaking any laws. The unfortunate thing with this is nonlocals coming up for the weekend are unfamiliar and there have been some drownings.

Mr. Garner stated that six months ago a motion was put before the Board to take the restriction off of the Mullett Lake portion of the Cheboygan to Gaylord Trail. He is not in favor of taking the restriction off. At that time, other Board members stated that if no progress is made in six months, the issue will be revisited. If we are at a deadlock with this issue, he will make a motion to lift the restriction at the next meeting. We promised the snowmobilers that there would be something done.

Mr. Washington asked Mr. Wood to provide the Board with the minutes of the meeting where the motion was made to modify the restriction on the Mullett Lake portion of the Cheboygan to Gaylord Trail (April 21, 2004 meeting).

Mr. Daniel Wells, Cheboygan/Gaylord Trail Workgroup – Cheboygan to Gaylord Trail.

Mr. Daniel Wells, a member of the Cheboygan/Gaylord Trail Workgroup, advised the Board that they had met last night and wanted to update the Board on progress that has been made in the past six months.

Mr. Wells had just learned about MDOT's position on taking away access for snowmobilers on State roads. As for the crossing of I-75, there has been commitment from MDOT to spend \$20,000 on an exploratory study to put a bridge over I-75, provided a route is established.

Ms. Mindy Koch, Resource Management Deputy, DNR; and Mr. Jim Radabaugh, State Trails Coordinator, Forest, Mineral and Fire Management Division, DNR, have been working with MDOT on this commitment as well. It was agreed at the workgroup's meeting last night there would be a workable plan by December 15th and provided to Mr. Manson.

As far as the Pigeon River Country State Forest property, two meetings were held. Officials were less than enthusiastic about a snowmobile trail going through this property. The positive parts in the meeting were they understand the needs and have given support to work with us to find a couple of alternate routes not going through the Pigeon River Country State Forest property.

A trail proposal is being developed for the Mullett Lake property that reflects the recommendations what were made to the Natural Resources Commission. This will be done in early 2005. This involves plans for parks, swimming, fishing piers, etc. We need to get this trail in use.

The DNR has been working with the Cheboygan County Prosecutor involving the trespass issue along the trail. It was agreed that the best way to handle this would be to go to the judge and get a summary judgment that would be published instructing trespassers they are in violation and to remove docks and other debris from the trail.

The snowmobile clubs attended the Natural Resources Commission meeting last week in Sault Ste. Marie and asked if the Mullett Lake portion of the trail could be opened up and the Commission said no.

Chairperson Thompson asked if the plans for the Mullett Lake portion snowmobile trail included restricting times for using the trail and speed limits. Mr. Wells responded this has not been talked about at any length, because it is the feeling of the workgroup that this portion of the trail will not be open to snowmobiles. Chairperson Thompson asked if there were other trails in the State that had such restrictions. Mr. Wells responded yes.

Mr. Arwood asked if boats and docks are still going up on the trail in the summer. Mr. Wells responded yes, and that the DNR has been working with the Cheboygan County Prosecutor on this issue of trespass.

At this point, Ms. Koch made some comments on the trespass issue. The DNR has been an enforcement strategy related to the trespass issue which we would not like to expose in a public meeting. The DNR is working with the local prosecutor and the Attorney General's office. There has been a very deliberative notification process of posting items that are in the trespass area and stating a specific number of days to remove. The DNR is doing this so they can have the best result in the court system.

Mr. Bob Ulrich, Inland Lakes Snowmobile Club – Cheboygan to Gaylord Trail.

Mr. Bob Ulrich, representing the Inland Lakes Snowmobile Club and Cheboygan Area Snowmobile Club, made comments regarding the Cheboygan to Gaylord Trail. He attended the Board's April meeting and provided them with a packet of information at that time, including

pictures showing the condition of the trail—adjacent property owners growing gardens and storing personal property (boats, docks, hoists). We are not receiving a return on our investment for this trail. Also in the packet were reasons given for keeping the trail quiet, which are not valid.

The public has spoken and want the railroad grade open to snowmobiling—not just snowmobilers, but the general public. He provided the Board with a petition which was signed by over 4600 people, as well as copies of letters signed by the City of Cheboygan, tourist bureaus, businesses and some adjacent property owners.

Mr. Ulrich also stated that the PowerPoint presentation that was given by the Gaylord to Cheboygan Trail Workgroup in April did not address issues concerning safety for the trail. They included in their proposed route sections from the first six or seven proposals. Most of the sections of the trail were not accepted by the DNR because they were unsafe and caused too great a liability—such as using a paved two-lane road and bridge to cross I-75. With this proposal, snowmobiles would have to share the same lane of traffic with cars and trucks on a 50 mile per hour road. Snowmobiles cannot operate safely on paved surfaces with no snow and you cannot steer them.

Mr. Ulrich wondered why the DNR would allow the Workgroup to propose an unsafe trail. The DNR has been in charge of the Workgroup and their representative has been there to facilitate the meetings. He asked why the Workgroup would ignore major safety issues and place snowmobilers in harm's way.

Most of the community feels that the DNR made an error when they recommended this trail be closed to snowmobiling. Mr. Ulrich would like to open up a dialogue so we can move forward on resolving this issue and correct errors that were made. He is asking the Board to start the process required to open the 12-mile section to snowmobiling so it can be used for which it was intended—recreation—and begin to receive a return on the MNRTF's investment.

Mr. Garner responded that the only issue that the MNRTF Board can speak to is the 12-mile portion of the trail to be opened to snowmobiling. The Board cannot speak for alternative routes. Mr. Washington further responded that the Board's authority lies in if they are willing to allow the possibility of opening up the trail to snowmobiling, as the rest of the authority lies within the Natural Resources Commission.

Mr. Ulrich further discussed safety issues and concerns with the proposed alternate trail routes.

Mr. Brian Callaghan, President, Inland Lakes Snowmobile Club – Cheboygan to Gaylord Trail.

Mr. Brian Callaghan, President of the Inland Lakes Snowmobile Club, made some comments regarding the Cheboygan to Gaylord Trail. The trail, as developed at the present time, leaves a gap for snowmobilers in the middle. The trail is supposed to end at Exit 313, but a gate is put up and it dead-ends. The trail resumes again in Cheboygan going up to Mackinaw City on the railroad bed, or on the east side of Mullett Lake.

Mr. Callaghan further stated that a trail going across I-75 would be a major safety issue. He feels the Workgroup worked very hard on trying to find alternate routes for the trail. In the spring, some members of the Workgroup asked Mr. Callaghan and the president of the Cheboygan Snowmobile Club if they would participate in the discussions. Last night was the first meeting since spring.

Mr. Callaghan stated that it is his club's position that the only solution would be to use the railroad bed along Mullett Lake. The other proposals going east have roadblocks. The trail could be opened up very easily and developed at a low cost. Cheboygan County relies on tourism and has a very high unemployment rate in the winter. By opening up this trail, it would draw more snowmobilers to the area.

Ms. Alice Tombouliau, Park Commissioner, Oakland Township Parks and Recreation Commission – Bald Mountain Land Exchange – TF70-287, Bald Mountain Recreation Area.

Ms. Alice Tombouliau, Park Commissioner for the Oakland Township Parks and Recreation Commission, made a presentation in support of the Bald Mountain Land Exchange. She provided copies of support letters for the land exchange to the Board. In her letter, Ms. Melinda Milos-Dale, Oakland Township Parks and Recreation Director, mentioned the importance of acquiring the Weger property to preserve the entire steep-sided bowl located south of Indian Lake, only part of which currently lies within Bald Mountain Recreation Area. She also mentioned several letters of support for the acquisition that have been sent since 2001 from the Parks and Recreation Commission to the DNR. Park Commissioner Joseph Peruzzi also sent a letter of support for the land exchange.

Ms. Tombouliau also provided the Board with a report from Maryann Whitman, who is a botanical consultant for Oakland Township and a board member of the Wildflower Association of Michigan. This report outlines the botanical inventory of the Weger property which was made in September and use of the Floristic Quality Index, which provides a number representing the comparative ecological intactness of an area. Areas with a Floristic Quality Index higher than 35 are floristically important from a statewide perspective. The report concludes by saying that 97 native species were inventoried, giving a native Floristic Quality Index of 45.4, which is extraordinary.

Ms. Tombouliau continued by stating for the record to counter several claims made on behalf of Orion Township, and in opposition of the proposed land exchange, in a September 27th letter from attorney Trey Brice of Beier Howlett. The letter restates claims made publicly, previously and frequently by other officials. Photographs that were taken on October 7th and an Orion Township map were provided to the Board for their information.

Ms. Tombouliau outlined claims made by Orion Township:

- A land use change for 90 acres of DNR land on M-24 (Lapeer Road) proposed for exchange with 83 acres of Weger property would threaten the availability of natural areas and passive recreation for Orion Township residents. According to Oakland Township's information, Orion Township currently has 3,032 acres of the Bald Mountain Recreation Area, which 2,942 would remain after the exchange. Orion Oaks County Park is also in the township and preserves more than 927 acres of environmentally-sensitive greenspace, plus 150 acres of the township's own parks. This gives a total of 4,019 acres of undeveloped land.
- Future development of the 90 acres of DNR land, if exchanged by a private owner, would overburden the traffic system on M-24. Oakland Township counters that traffic levels are already high. With the extensive new construction already approved by Orion Township and underway along M-24, the effect of potential development of the 90 acres in questions would be nearly undetectable.

- If the 90 acres on M-24 were to become privately owned and converted to other uses, this would tax Orion Township's water and sewer systems and require improvements to both systems. Oakland Township counters by stating that the pace of new construction along M-24 in Orion Township is already frantic. Orion Township has evidently been able to approve all types and sizes of developments and provide for their infrastructure.
- Orion Township's strategy of designating commercial and residential zoning adjoining the 90-acre DNR parcel is a zoning technique that requires deference by the DNR. Oakland Township counters by stating resource-sensitive planning and zoning would promote low-density and low-impact land uses in proximity to parks and natural resources if the resources are valued and respected. The two subdivisions mentioned by Orion Township's attorney, and shown in the photographs, do not appear to represent low-intensity land uses. Canterbury Woods, just north of Scripps Road, is so recently approved that construction is proceeding at this time.

Ms. Tomboulion concluded by stating for at least the past 20 years representatives of natural areas protection groups, as well as citizens of Oakland Township, have repeatedly proposed to the DNR the purchase of Brown Farm, which is now known as the Weger Property, but funding has not appeared. The proposed land exchange could accomplish this desirable resource protection in a fiscally prudent way, without using funds from the MNRTF or other State funds. She urges the MNRTF Board's approval of the proposed exchange.

Mr. Dennis Keiser, Supervisor, Bear Creek Township – 04-088, Walloon Lake Access.

Mr. Dennis Keiser, Supervisor of Bear Creek Township, made some comments regarding 04-088, Walloon Lake Access, which has been submitted by the township for possible funding. He is encouraged about the upcoming October 25th meeting with the Walloon Lake Association and five adjoining townships.

In September the supervisor of Melrose Township had a meeting with the five township supervisors, in which four of the five were able to attend. The topic of the agenda was the lack of access on Walloon Lake. Another issue that was brought up was the dam in the Village of Walloon Lake and how that could affect the lake and how the township should be concerned with the dam, as this does control the lake. Also, the economic stability of the Village of Walloon Lake was discussed.

It was all agreed that there is a lack of access on Walloon Lake and are confident that there will be public access in the future.

Mr. Washington asked if Mr. Keiser was familiar with the Resort Township Environmental Committee. Mr. Keiser responded no, but he received a copy of the minutes from their meeting. Mr. Washington stated that there was discussion in their minutes about an environmental impact statement. Apparently the group does not trust the DNR's assessment and suggested that four of the five townships hire an independent agency to do an assessment and Bear Creek Township not be included in the group. Mr. Keiser did read that and called Resort Township's supervisor and informed him that Bear Creek Township should be included in this. He has taken a lot of heat by not having an environmental impact study done on the lake for the proposed park. The township does not have the grant yet and does not want to spend \$10,000 for an impact study and then have the grant denied.

Mr. Tom Bailey, Executive Director, Little Traverse Conservancy.

Mr. Tom Bailey, Executive Director of Little Traverse Conservancy, mentioned five issues that the Conservancy is involved in. The first issue is the proposed acquisition by the DNR of property on the Bear River (04-132), which was nominated by the Conservancy and is now an application from the DNR. The second is 160 acres of the former Van Slot property that with boundary revisions would be included in Wilderness State Park. The Conservancy has acquired both of these properties.

Mr. Bailey stated that if the State buys the Bear River property, it would be open to the public. If they do not, the Conservancy would probably place a conservation easement on the property and resell it. He is not sure this is reflected in the staff's scoring of the project. It is the goal of the Conservancy to get the Van Slot property into State ownership. The property will be open to public hunting this year for the first time.

The third issue is the Lee Grande Ranch Conservation Easement project (04-133). This project was before the Board last year. For this project the State would acquire a conservation easement and the Conservancy would acquire the remaining underlying fee interest. The proposal for this project would be to hold on to the property until the Payment in Lieu of Taxes (PILT) issue is resolved.

The fourth issue is an application submitted by St. James Township, 04-071, Lake Michigan Shoreline Access Acquisition, for acquisition of a 500-foot parcel of beach. The Conservancy supports funding for this acquisition.

The fifth issue is Bear Creek Township's Walloon Lake Access project (04-088). The Conservancy worked with the township to prepare the application for the Jones Landing Park. There has been a lot of controversy with this project. The Conservancy makes it a policy to provide assistance to any local unit of government within its five-county service area who wants help applying for MNRTF grants. Before the Conservancy helps with these projects, we make sure that the entity understands that they are required by the DNR to have an approved recreation plan on file, and second, they must comply with the public hearing requirements of the MNRTF. The Conservancy's Board of Trustees does not review the public projects for content. Mr. Bailey's policy from the Board of Trustees is to help local units of government to do what they need help with.

Mr. Washington stated that by helping a local unit of government apply for a grant, this does not mean the Conservancy supports or does not support the project. This needs to be made clear to others. Mr. Bailey agreed with this.

Mr. Arwood asked if the five townships were to come together through this process and create a long-term vision for various access and public recreation around Walloon Lake, would the Conservancy be able to help them with technical assistance. Mr. Bailey responded yes. The Conservancy's enabling act states that the Conservancy does work in trust for the public.

Mr. Washington also mentioned that in the last few months, the Legislature has not shown a desire to hold and purchase land. Mr. Bailey was aware of this, and that is one of the reasons that the land conservancies of Michigan have incorporated (Heart of the Lakes Center for Land Conservation Policy).

Mr. Tom Woiwode, Director, GreenWays Initiative – 04-176, Dequindre Cut Greenway Improvements, City of Detroit.

Mr. Tom Woiwode, Director of the GreenWays Initiative, made comments regarding 04-176, Dequindre Cut Greenway Improvements, City of Detroit. At the Board's June meeting, Mr. Woiwode talked about the strong desire on the part of the Community Foundation for Southeastern Michigan to collaborate with the MNRTF Board and other funding sources to invest in the most populous area in the State of Michigan. This project affords one of the best opportunities for this collaboration.

On October 2nd the Community Foundation's Board approved a grant of one million dollars to support the design, development and construction of the greenway. This matches the largest grant the Community Foundation has ever made in its history. This grant also matched a one million dollar grant that was awarded six months previously for the development of the Detroit Riverwalk which the Dequindre Cut project will connect to indirectly.

The Dequindre Cut project is a below grade abandoned railroad corridor that runs for about 1-1/2 miles north and south. It starts at the north end at the Eastern Market, which receives approximately 40,000 visitors a day. As it passes south, it goes below grade under Gratiot and Jefferson Avenues, both of which are nine-lane highways. This is an opportunity to traverse these major thoroughfares in a pedestrian-safe manner. It ends at the newly-created Tricentennial State Park, a \$50 million investment by the State of Michigan in the City of Detroit. This is the first urban State Park in the State's history. The Tricentennial State Park and the Detroit Riverwalk will serve as the anchor for the redevelopment of the three-mile stretch of riverfront that runs from the Renaissance Center on to Belle Isle. The Dequindre Cut project passes through two of the most heavily-occupied neighborhoods within the City—Elmwood and Lafayette.

In addition to the Community Foundation's million dollar grant, the Michigan Department of Transportation's Enhancement Program has committed \$1.5 million. The Michigan Department of Environmental Quality has agreed to clean up the site, with an estimated cost of half a million dollars. This equals a \$3 million commitment for the project. The \$480,000 request from the MNRTF would create the pedestrian pathway. With the funding in place, this actually could be done by next summer in time for the Super Bowl in 2006.

IV. OLD BUSINESS.

MNRTF Trust Fund Criteria.

Mr. Wood outlined the MNRTF Trust Fund Criteria which had been developed by staff. The criteria was based on comments received at the Board's June 2nd and 3rd Retreat, comments and concerns of Board members and direction received at meetings with the Trust Fund Criteria subcommittee consisting of Mr. Arwood and Mr. Dempsey.

Three key elements for revised criteria that were identified at the retreat include:

- Streamlining of the criteria;
- Identifying a model that fairly assesses the different categories of applications routinely submitted for MNRTF consideration; and
- Inclusion of "landscape factors" when reviewing natural resource-based applications.

In addition, the new review method should also include a more efficient model of communicating application review information to the Board and applicants. Criteria are based on the five overall goals of the MNRTF Board—Resource Protection, Water Access, Community Recreation, Urban Recreation and Economic Development.

The proposed criteria have been reduced from the current 12 to 7, which combines similar considerations from multiple criterions. This will improve the process in two ways—by simplifying the process that staff uses in evaluating applications, and improve the ability to communicate application evaluation information to the Board and applicants.

In addition, staff proposes the establishment of four categories of applications that represent the types of applications submitted for MNRTF assistance. These include:

- Natural Area Acquisition
- Natural Resource-Based Recreation Development
- Trails and Greenways
- Urban/Active Recreation

Mr. Wood advised the Board that information they have received on the proposed Trust Fund Criteria is still in draft form, as staff continues to receive input from the DNR, Board, applicants and the public. Mr. Wood asked the Board for their concurrence if staff was moving in the right direction.

Chairperson Thompson feels staff is moving in the right direction. Mr. Arwood felt that staff has done a good job of capturing some of the main themes from the retreat. The four categories staff has established are reflective from the retreat. Mr. Arwood also feels the rest of the criteria are essentially two things: trying to reorganize and reorder, and how do we look at and quantify natural resource features to treat each project as it should be treated. This does not limit the Board's ability to create any new Initiatives, special or others.

Mr. Arwood asked what the target date is to formalize the criteria. Mr. Wood responded that internally he has imposed a deadline of June 2005 to get it publicized for further comments before it is implemented in 2006.

V. NEW BUSINESS.

2005 Meeting Schedule.

Mr. Wood outlined the proposed Board meeting schedule for 2005. Meetings for the year commence in February and have traditionally been the third Wednesday bimonthly, with the exception of December's meeting. Dates for 2005 are as follows:

- February 16 [NOTE: was originally listed as 17 in memo to Board]
- April 20
- June 15
- August 17
- October 19
- December 7

One meeting of the year, generally the June meeting, is held at an out-of-Lansing location. The City of Big Rapids has offered to host a Board meeting for 2005.

MOVED BY MR. GARNER, SUPPORTED BY MR. WASHINGTON, TO APPROVE THE DATES OF THE MNRTF BOARD MEETINGS FOR 2005. THE JUNE MEETING WILL BE HELD IN THE CITY OF BIG RAPIDS. PASSED.

Election of Chairperson for 2005.

Mr. Wood stated according to the bylaws, the election of the new MNRTF Board Chairperson must be held at the Board's December meeting. Mr. Garner tentatively nominated Mr. Arwood as MNRTF Board Chairperson for 2005.

2005 Budget – Mr. Dennis Fedewa, Chief Deputy, DNR.

Mr. Dennis Fedewa, Chief Deputy of DNR, provided the Board with a summary of changes for FY 2004-2005 for their information. The FY 2004-2005 budget was not finalized by the Legislature and signed by the Governor until late September. There was a total overall change from last fiscal year of approximately \$2 million (0.79% change).

Mr. Fedewa further stated that the Payments in-Lieu of Taxes (PILT) issue has yet to be finalized. Senate Bill 1105 is in Conference Committee and there are two versions of the bill. It is expected that there will be a hearing after the Legislature gets back after the election. He does not know if there will be action taken. Mr. Arwood commented that if the Legislature does not act, it will remain as is. Mr. Fedewa responded that this is correct.

On the summary sheet, there is a \$3.7 million reduction under "PILT Funding." Essentially from FY 2004, when the MNRTF was contributing \$1.2 million for PILT payments, it was reduced to \$750,000, for a net reduction for FY 2005 of \$465,000. Even though there was a shift of restricted funds of \$2 million from FY 2004 to 2005, there was an actual reduction in MNRTF dollars in the overall budget for DNR.

In addition, there were a number of revenue assumptions based on enabling bills that were part of the target agreement, and Mr. Fedewa believes they were overly optimistic. We will not know where the State's budget is for sure until there is a Revenue Consensus meeting which is scheduled normally in January. He anticipates at that time there may be a General Fund deficit that may necessitate other Executive Order or Directive reductions.

At this point, Mr. Fedewa outlined the budget development process for FY 2006. The DNR is in the beginning stages. He outlined the current services baseline and adjustments that the DNR will be submitting to the Department of Management and Budget's State Budget Office. These are not large programmatic increases or new programs, but adjustments to the baseline.

For FY 2006, there is an additional \$234,000 under base adjustments for Grants, Contracts and Customer Systems (GCACS). This is necessary as the amount allotted under the Clean Michigan Initiative (CMI) for administration is capped at 3% and has expired. Mr. Arwood asked how long CMI money has been used to offset MNRTF operations. Mr. Fedewa responded that this is like the old Environmental Protection bond that was at 6%. When the CMI was recommended, we had asked for 6%. The Legislature cut it down to 3%. At the end of FY 2005, there will be no more CMI money allotted for administration purposes and must be shifted to another funding source.

Mr. Arwood asked if this money replaces what was allocated to the CMI. It was his understanding that money was to be used for CMI projects only. Mr. Fedewa stated that the CMI appropriation was for certain categories of projects. Mr. Washington asked if CMI money was used to fund operational expenses. Mr. Fedewa responded that part of the money was used. Mr. Dempsey asked if the CMI money is subsidizing part of the MNRTF operations. Mr. Fedewa responded it was in the short term, and it has now ended.

Mr. Fedewa also pointed out that the figures indicated on the summary sheet for GCACS only reflect the MNRTF portion, and not the whole budget for the office. Since there are no more CMI grants to be administered, more of staff time will be devoted to the MNRTF.

Chairperson Thompson stated that we could argue that since the CMI work is not being done, there is less work to do and the MNRTF should not have to pay the difference. Mr. Fedewa responded this could be argued, but it would result in a reduction in force. Chairperson Thompson asked if staff was increased when CMI came into existence. Mr. Wood responded that there were a couple of limited-term people that were on staff and paid entirely by the CMI program. CMI projects have been part of the staff's work force, which is also the MNRTF staff. As staff was working on the projects and getting them completed, a portion of their time was paid for by CMI. Now that the CMI projects will be completed within the next several months, staff will be spending more of their time on MNRTF projects.

Mr. Arwood stated he did not know CMI funding was paying a portion of staffs' time. Since the dollars are gone, it appears that the MNRTF is technically picking up new employees and budget responsibilities that it did not have before, simply because a program is ending. This does not make a lot of sense to him. Mr. Fedewa responded that usually staff performs multiple tasks and their time is charged against a particular fund source based on the level of work they do.

Mr. Dempsey asked about the Land Ownership Tracking System (LOTS) and Department of Information and Technology (DIT). DIT's proposed funding for FY 2006 appears unchanged from 2005, which is the second largest expenditure of the MNRTF. He wondered if this could be changed. Mr. Fedewa responded there is a baseline level of support that is required by the DNR for DIT. The makeup for the dollars for DIT was determined several years ago when the Department was created. He has started working with staff on a cost allocation analysis. A study can be done that will more accurately determine the allocation of restricted funds for DIT. This will need to be verified by Maxwell, Inc., the State's cost allocation expert. As a result of the study, this could be a "double-edge sword" resulting in a possible increase to the MNRTF.

Mr. Fedewa outlined the LOTS expenditure. The amount for the current year is appropriated at the same level. We may make an adjustment for FY 2006. Numbers have not been finalized. Mr. Dempsey asked where the LOTS figure was identified on the summary sheet. Mr. Fedewa responded in the DIT expenditure. Mr. Arwood asked if the LOTS expenditure could be identified separately from DIT. Mr. Fedewa further stated that \$600,000 was appropriated for LOTS of which \$540,000 was MNRTF, with the balance funded by the Game and Fish Fund. This money had been used to pay a contractor and now has been in-sourced with three DIT employees who work on LOTS. Mr. Dempsey thought that the funding for LOTS was going to expire. Mr. Fedewa responded that with any information system you will have ongoing maintenance costs.

Mr. Fedewa advised the Board that he would like to have a DIT representative attend a future meeting to provide further information.

Mr. Arwood asked if there have been figures included in FY 2006 for the oil and gas audits that are conducted. Mr. Fedewa responded it is in the Forest, Mineral and Fire Management Division allocation with a base adjustment of -\$150,000.

Mr. Arwood asked about the taxes allocation and wondered if it was off by a factor of two if there is no solution to PILT. Mr. Fedewa does not think it would be a factor of two, but he feels we would not be able to 100 percent meet our tax liability without passage of Senate Bill 1105. What was built into this was a cap for assessments and millages. The SET was removed from the calculation and was anticipated in 2006. Mr. Arwood asked if the \$750,000 indicated on the summary sheet for taxes is if 1105 passes. Mr. Fedewa responded that that is the fund shift for the MNRTF dollars that have been replaced by General Fund. The General Fund was included at the 50 percent level. This is assuming that the 50-50 level remains. He does not feel this would fall back to the larger MNRTF contribution. This is not predicated in 1105, but rather the appropriation bill.

Board members had some further concerns about the CMI adjustment being charged to the MNRTF. Mr. Arwood feels the Board is still not getting straightforward budget information. Mr. Fedewa explained that there are a variety of fund sources that support different line items. The Board may not have been aware of this information. He will provide this to the Board as a follow-up.

Discussion ensued on how restricted funds are charged by other divisions and time accounting for services performed.

Mr. Washington asked in terms of volume of work performed by GCACS staff, what percentage would be MNRTF and what the total budget is dedicated to GCACS. Mr. Fedewa responded that he will provide this information to the Board to show the cost allocation. He will also include the DNR's resource divisions.

Bald Mountain Land Exchange – TF70-287, Bald Mountain Recreation Area – CONVERSION REQUEST.

There was no discussion on the Bald Mountain Land Exchange issue.

MOVED BY MR. GARNER, SUPPORTED BY MR. ARWOOD, TO APPROVE THE BALD MOUNTAIN LAND EXCHANGE, TF70-287, BALD MOUNTAIN RECREATION AREA, TO EXCHANGE 90.9 ACRES LOCATED IN THE WEST UNIT OF THE BALD MOUNTAIN RECREATION AREA IN ORION TOWNSHIP, OAKLAND COUNTY FOR 82.7 ACRES OF LAND LOCATED ADJACENT TO THE NORTH UNIT OF THE BALD MOUNTAIN RECREATION AREA IN OAKLAND TOWNSHIP, OAKLAND COUNTY, DEPENDENT ON THE CONTINGENCIES DESCRIBED IN THE AUGUST 16, 2004 MEMO FROM DNR DIRECTOR REBECCA A. HUMPHRIES TO THE NATURAL RESOURCES COMMISSION. PASSED.

VI. STATUS REPORTS.

Real Estate Report.

Mr. Wood advised the Board that with the approval of 2003 recommendations, the DNR now has lump sum accounts.

Mr. Robert Couvreur, Office of Land and Facilities, advised the Board that the DNR is moving forward with an acquisition under the State Forest Lump Sum, with a purchase price of \$245,000. He assured the Board that as the DNR proceeds to option properties with MNRTF assistance, the Board will be kept informed.

Local Projects Completion Report.

Mr. Wood advised the Board that two acquisition and six development projects have been completed since the Board's August meeting. He outlined the two acquisition projects that have been completed—TF99-384, Escanaba Riverfront Property Acquisition, City of Escanaba; and TF02-128, Acquire Houghmaster Property, Alpena Township.

The City of Escanaba's project is where the new DNR boating facility is. Staff encountered a lot of issues in acquiring the property and Mr. Wood commended them for their efforts.

Finance Report.

This report was previously discussed. No further discussion.

Lump Sum Report.

Mr. Wood reiterated that the DNR now has lump sum funds and are moving forward with acquisitions. Progress will be provided to the Board as acquisitions occur.

VII. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

None.

VIII. ANNOUNCEMENTS

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, December 8, 2004, Best Western Midway Hotel, 7711 West Saginaw, Lansing, Michigan.

IX. ADJOURNMENT.

MOVED BY MR. ARWOOD, SUPPORTED BY MR. WASHINGTON, TO ADJOURN THE MEETING. PASSED.

The meeting was adjourned at 12:53 PM.

Jim Thompson, Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

James Wood, Chief
Grants, Contracts and Customer Systems

DATE